

PROPOSITION 8 ASSESSMENT RELIEF

OFFICE OF TOM J. BORDONARO, JR. COUNTY ASSESSOR
www.slocounty.ca.gov/assessor



San Luis Obispo Office
1055 Monterey Street, Suite D360
San Luis Obispo, CA 93408
(805) 781-5643

North County Office
6565 Capistrano Avenue
Atascadero, CA 93422
(805) 461-6143

Proposition 8

A Proposition 8 reduction is a form of assessment relief. It may be applied when a property's taxable value exceeds the current market value.

The Assessor's Office is required to enroll *the lower* of two values on all real property:

- The base year value plus the annual inflationary factor: Your base year value is established as of the date of acquisition and/or completion of new construction. This value is adjusted each year by an inflationary factor determined by the percentage change in the California Consumer Price Index (CCPI). In no event shall the inflation factor exceed 2% in any given year.

OR

- The current market value: The price your property would sell for on the open market on the January 1st lien date.

If you think your property is being taxed on a value that is higher than its current market value, you may contact the Assessor's Office at any time to request an assessment review. Each tax year begins on July 1st and ends the following June 30th. The value for the current tax year will be examined when an Assessment Review Request is received by the Assessor's Office between July 1st and December 31st. Assessment Review Requests received between January 1st and June 30th will be examined for the next tax year.

Important Points

The Assessor can only consider the market value of your property as of the preceding lien date (January 1st). The Market value of your property will be determined by analyzing sales of comparable properties in the area. By law, comparable sales can be any date prior to January 1, but cannot be more than 90 days after January 1.

Supplemental Assessments cannot be revised due to Proposition 8 reviews.

Example of how Proposition 8 can affect your taxable value

Market value of property, when purchased, was \$500,000	Market Value as of January 1st	Base Year Value	Taxable Value
1 st year, January 1	\$500,000	\$500,000	\$500,000
2 nd year, January 1	\$525,000	\$510,000	\$510,000
3 rd year, January 1 Property value declines due to market conditions. Prop 8 applied. (Taxable value must be reviewed yearly.)	\$495,000	\$520,200	\$495,000
4 th year, January 1 Slight improvement in market conditions. (Taxable value must be reviewed yearly.)	\$510,000	\$530,604	\$510,000
5 th year, January 1 Major improvement in market conditions. (Taxable value returned to base year value, plus annual inflationary factor.)	\$545,000	\$541,216	\$541,216

If any reduction is made under Proposition 8 guidelines, your property must be reviewed each year until the current market value exceeds the base year value plus the annual inflationary factor. A property that has been reduced under Proposition 8 may be increased greater than 2% per year.

It is important to remember that the filing of an Assessment Review Request does not extend any filing dates for assessment appeals, nor alter or delay the date taxes are due. Interest and penalties will be added to the amount you owe if your payment is late.

This information is a synopsis of Proposition 8. Please call the Assessor's office for more specific information.